

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY	Austria	REPORT NO.		25X1
SUBJECT	1. Financial Difficulties of USIA Plants 2. Reported Reorganization of USIA	DATE DISTR.	24 July 1953	
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RY CARIE

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1. Many plants under USIA-control have been unable to meet payroll and health insurance payments during the past three months. Furthermore, no payments for shipments to the USSR and satellite states have been received by the plants during that period.
2. Almost all USIA plants and SMV installations have been forced to discharge workers. Some plants are releasing as much as 50 percent of the workers and others have closed down altogether.<sup>1</sup>
3. In the course of the next three months, all USIA-controlled building and construction firms are to be reorganized under one central office and extensive personnel reductions will be carried out.<sup>2</sup>

4.

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USIA intends to comply with the Austrian tax law and import regulations and that USIA goods will be marketed through regular Austrian retail channels. He also said that negotiations between the Soviet authorities and the Austrian Chamber of Commerce on the status of USIA are proceeding satisfactorily with an agreement having been reached to open no additional USIA retail stores.

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1.  also reported widespread personnel reductions in Soviet-controlled enterprises.
2. The reported reorganization now underway in USIA building and construction firms has been confirmed

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